



STAYING connected



MoDOT & Patrol Employees' Retirement System

December 2013



saving money ■ saving trees ■ saving time

Important Reminder

Starting **January 2014**, MPERS will no longer mail paper notices to those receiving monthly benefit payments by direct deposit (ACH).

We will continue to notify you when the amount of your benefit payment changes for any reason (e.g. annual cost-of-living adjustment, change in deductions such as medical premium or tax withholding, etc.).

MPERS spends over \$40,000 each year on benefit payment postage alone. More and more retirees are viewing their payment information online and selecting email as the preferred method of receiving correspondence from MPERS. Utilizing electronic communications as much as possible is more cost effective for the System, increases productivity, and is faster and safer for you.

www.mpers.org

Secure Member Access 24/7

myMPERS online

View your...

- Monthly benefit payments
- Year-to-date benefit payment totals
- Data on 1099-R (*available online late January*)
- Beneficiary designations
- Demographic information
- Annual Benefit Statement (*available online the month in which you receive your annual COLA*)



You can...

- Change your personal information (address, email, phone number)
- Change your Federal and Missouri State (*if applicable*) tax withholdings
- Download various retiree/beneficiary forms

Not available yet, but currently under development...

- Online election for your Board of Trustees representative
- Ability to reprint 1099-R
- Secure mailbox for MPERS correspondence

How to Register for myMPERS Online Secure Member Access

1. Go to **www.mpers.org**
2. Click on the **myMPERS Login** button in the left menu.
3. Click on **Create Login!**
4. Provide the requested information to create your personal **Username** and **Password**.
5. Click **Submit**.



Understanding Your 1099-R

- 1099-R tax forms will be mailed to you by January 31st**

You will receive a separate 1099-R for each type of benefit payment you received from MPERS in 2013 (*e.g. monthly benefit payment, BackDROP distribution, survivor benefits, etc.*). Once your 1099-R has been mailed to you, the information will be available through Secure Member Access on MPERS' website (www.mpers.org).

- Year-to-Date Medical Premium Information (**NEW FEATURE**)**

For your convenience, the 1099-R now contains the total medical, dental, and vision premiums that were deducted from your 2013 monthly benefit payments from MPERS (*if applicable*). The amounts do not include any refunds or manual premium payments.

Notable Sections of Your 1099-R

Distributions from pensions, annuities, retirement, or profit-sharing plans, IRAs, insurance contracts, etc.		2013	OMB No 1545-0119 FORM 1099-R
Account no. (see instructions) 133336		CORRECTED (if checked) <input type="checkbox"/>	
PAYER'S name, street address, city, state, and ZIP code			
MoDOT and Patrol Employees' Retirement System 1913 William Street PO Box 1930 Jefferson City, MO 65102-1930			
PAYER's federal identification number 44-6006203		RECIPIENT'S identification number 123-45-6789	
RECIPIENT'S name, street address, city, state, and ZIP code			
John E Retiree 123 N Main St Jefferson City, MO 65109			
1 Gross distribution \$45,600.00 1		2a Taxable amount \$42,460.00 2a	
2b Taxable amount not determined <input type="checkbox"/> Total distribution <input type="checkbox"/>		4 Federal income tax withheld \$3,532.20 4	
5 Employee contributions \$3,140.00 5		7 Distribution code(s) 7 7	
9a Percentage total distributions \$		9b Total employee contributions \$	
12 State tax withheld \$1,200.00 12		13 State/Payer's state no. MO-00402432686	
Copy B -- Report this income on your federal tax return. If this form shows federal income tax withheld in Box 4, attach this copy to your return. This information is being furnished to the Internal Revenue Service.			

FOR INFORMATIONAL PURPOSES ONLY

The following 2013 premium information is provided for your convenience. These totals only reflect what was withheld from your MPERS benefit (*if applicable*) and does not include any refunds or manual premium payments.

	Total Withheld for 2013
Medical Insurance Premiums	\$3,432.00
Vision Care Premiums	\$ 138.60
Dental Care Premiums	\$ 612.24

John E Retiree
123 N Main St
Jefferson City, MO 65109

*Sample 1099-R
(for illustrative purposes only)*

NEW FEATURE!!!

Total medical, dental, and vision insurance premiums withheld from your MPERS benefit payments (if applicable).

Box #	Description of Amount
1	Gross Distribution: Total amount paid to you by MPERS in 2013.
2a	Taxable Amount: Portion of your total benefit received that is considered "taxable income." (<i>Amount <u>may be</u> different from Box 1 if you purchased service credit before retirement - see Box 5.</i>)
4	Federal Income Tax Withheld: Total amount of Federal income tax withheld from your MPERS benefit payment in 2013.
5	Employee Contributions: Difference between Box 1 and 2a. Portion of amount paid to purchase service that is excluded from your taxable amount (<i>if you purchased service before retirement using after-tax dollars</i>).
7	Distribution Code(s): The code identifies the type of benefit paid (<i>e.g. retirement, BackDROP, survivor, etc.</i>). Codes are listed on the back of the 1099-R form.
12	State Tax Withheld: Total amount of Missouri State income tax withheld during 2013 (<i>if applicable</i>).

Important Reminder of Annual Deduction Changes

Each December and January, we receive calls from benefit recipients asking – “Why is the amount of my benefit payment different?” Below are the most common reasons why your **net** benefit (after taxes/ deductions) might be different in December and January.

Type of Deduction	Month You Will See the Change
Medical Premium	December
Vision/Dental Premium	December
Federal Tax Withholding	January

MoDOT and Patrol Employees' Retirement System 1913 William st, PO Box 1930 Jefferson City, MO 65102-1930

	Income	Current	Year to Date	Deductions	Current	Year to Date
Check Number 136185	Retirement	\$2,478.99	\$24,769.90	Federal Tax	\$311.70	\$3,117.00
Check Date 12/31/2010				MO-State Tax	\$32.00	\$320.00
Withholding Status				Medical	\$102.00	\$1,020.00
Federal Single/0 + \$34.00						
State Flat Amount \$32.00						
Messages				Total Income	\$2,476.99	\$24,769.90
				Total Deductions	\$445.70	\$4,457.00
				Net Benefit	\$2,031.29	\$20,312.90



MoDOT and Patrol Employees' Retirement System
1913 William Street, PO Box 1930
Jefferson City, MO 65102-1930

NO. 135185

Void after 120 days

Check Date
12/31/2010

Check Amount
\$**2,031.29**

PAY

TWO THOUSAND THIRTY-ONE AND 29/100 DOLLARS

TO THE
ORDER OF

Joseph E Retiree



Deductions That Change Each **December**

MoDOT/MSHP Medical Premiums

If you have questions regarding your medical premium, please call (877) 863-9406, Option 3.

- The new 2014 medical insurance premiums begin with your **December** benefit payment.
- **Reason it changes in December:** The premium you pay one month is for the following month's insurance coverage. For example, the premium deducted in December is for January coverage.

Dental/Vision Premiums (through Missouri Consolidated Health Care Plan)



If you have questions regarding your dental or vision premiums, please call (800) 487-0771.

- The new 2014 dental and vision insurance premiums begin with your **December** benefit payment.
- **Reason it changes in December:** The premium you pay one month is for the following month's coverage. For example, the premium deducted in December is for January coverage.



Deductions That Change Each **January**

Federal Tax Withholding

- The IRS generally changes the federal tax withholding tables every **January**.
- The new tables will be used to calculate your deduction if your withholding election is based on marital status and number of allowances (e.g. single with 1 allowance, married with 2 allowances, etc.).

Tax Withholding Notice

- The monthly benefit payments you receive from MPERS are subject to Federal tax withholding.
- If you claim residence in Missouri, your retirement benefits are also subject to state tax. MPERS will withhold Missouri income tax at your request.
- You may change your Federal and Missouri State tax withholding election at any time by completing a new *W-4P Substitute* tax withholding form, which is available on MPERS' website. **For your convenience, the form can be submitted electronically through Secure Member Access.**

Reminder of Potential Federal and Missouri State Tax Reductions



Tax time is fast approaching. For your convenience, this page provides a list of potential ways you might be eligible to reduce your Federal or Missouri State tax liability when you file your annual income tax return. **If you have questions regarding these potential reductions or your taxes in general, please contact a tax professional or the Missouri Department of Revenue. MPERS staff cannot answer your tax questions.**

Potential Federal Tax Reduction

Pension Protection Act of 2006

(for retired public safety officers)

The Pension Protection Act of 2006 allows retired public safety officers to exclude up to a maximum of \$3,000 in health insurance premiums made from your eligible retirement plan. A **public safety officer** is defined as a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew. **(The total health insurance premiums paid are available on your 1099-R tax form and December payment stub.)**

Missouri Dept. of Revenue Tax Assistance Centers

Cape Girardeau.....(573) 290-5850
Jefferson City(573) 751-7191
Joplin.....(417) 629-3070
Kansas City.....(816) 889-2944
Springfield(417) 895-6474
St. Joseph.....(816) 387-2230
St. Louis.....(314) 877-0177

<http://dor.mo.gov/personal/ptc/>

<http://dor.mo.gov/taxcredit/>

Potential Missouri State Tax Reductions

Public Pension Reduction

Married couples with Missouri adjusted gross income less than \$100,000 and single individuals with Missouri adjusted gross income less than \$85,000, may deduct 100% of their public retirement benefits, up to the Social Security limit. Those with a Missouri adjusted gross income greater than the amounts listed above may qualify for a partial reduction.

Social Security and Social Security Disability Reduction

Married couples with Missouri adjusted gross income less than \$100,000 and single individuals with Missouri adjusted gross income less than \$85,000, may deduct up to 100% of taxable Social Security and Social Security Disability Benefits. Those with a Missouri adjusted gross income greater than the amounts listed above may qualify for a partial reduction. **Individuals must be at least age 62 to qualify for a Social Security reduction.**

The Public Pension Exemption amount must be decreased by the amount equal to what is granted under the Social Security and Social Security Disability Deduction.

Qualified Health Insurance Premiums Subtraction

Qualified health insurance premiums you paid (including those withheld from your pension benefit) may be used to reduce your Missouri adjusted gross income. Do not include any pre-tax premiums paid, any premiums excluded from Federal taxable income, or any long-term care insurance premiums. A worksheet is provided with the MO-1040 and MO-A instructions that should be used to determine the allowable subtraction. **(The total medical premiums paid are available on your 1099-R tax form and December payment stub.)**

Public Safety Officer Surviving Spouse (SSC) Tax Credit

Any surviving spouse of an eligible public safety officer (includes highway patrol, commercial motor enforcement officer, and water patrol officer), who was killed in the line of duty, may be eligible for a credit against the tax due under Chapter 143, RSMo., excluding withholding tax, equal to the amount of property taxes paid on their homestead.

The credit may be claimed for the tax year beginning the year of the death of the public safety officer until the surviving spouse remarries. To claim the credit, attach forms MO-SSC or MO-TC to your individual income tax return.